

Message Text

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ACTION EB-07

INFO OCT-01 NEA-09 ISO-00 AGR-10 TRSE-00 TAR-01 CIAE-00

INR-07 NSAE-00 INT-05 CIEP-02 OMB-01 AID-05 OPIC-06

/054 W

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R 170825Z MAR 75

FM AMEMBASSY TEHRAN

TO USDOC WASHDC

INFO SECSTATE WASHDC 648

UNCLAS TEHRAN 2457

E.O. 11652: N/A

TAGS: BEXP IR

SUBJ: IRANIAN MARKET FOR US WEST COAST LUMBER AND PLYWOOD

REF: STATE 39568

1. SUMMARY. EMBASSY UNABLE CLEARLY ASCERTAIN COMPETITIVENESS OF US LUMBER AND PLYWOOD PRODUCTS IN THE IRANIAN MARKET, IN PART DUE TO OCEAN FREIGHT COSTS. HOWEVER, INCREASING DEMAND FOR WOOD PRODUCTS SUGGESTS US PRODUCERS MIGHT WISH MAKE FURTHER EVALUATION OF MARKET. INFORMATION FOLLOWING COMPRISES SHORT BUT INTENSIVE SURVEY LOCAL MARKET CONDITIONS.

2. IRAN'S LUMBER PRODUCTION IS UNDER CONTROL OF THE GOVERNMENT WHICH ISSUES LICENSES FOR CUTTING TIMBER. LICENSES FOR WOOD PRODUCTION ISSUED DURING CURRENT IRANIAN YEAR (ENDING MARCH 20, 1975) TOTALED APPROXIMATELY 1 MILLION CUBIC METERS, ABOUT 15 PERCENT OF WHICH WERE FOR VARIOUS TYPES OF PINE, FIR, SOFT WOOD AND LUMBER. EIGHT FACTORIES ARE CAPABLE OF PRODUCING 30,000 METRIC TONS PLYWOOD ANNUALLY.

3. ACCORDING TO LATEST AVAILABLE STATISTICS, DURING THE IRANIAN YEAR ENDING MARCH 20, 1974 IMPORTS OF ALL KINDS OF LUMBER (CLASSIFIED UNDER TARIFF NO. 44/05, TOTALED 836 MILLION RIALS (APPROXIMATELY DOL\$12.6 MILLION). LEADING SUPPLIERS WERE USSR WITH 474 MILLION RIALS, ROMANIA 152 MILLION RIALS, AND AUSTRIA 134 MILLION RIALS. LUMBER IS SUBJECT TO 5 PERCENT IMPORT DUTY. DURING SAME PERIOD

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IMPORTS OF RAILWAY AND TRAMWAY SLEEPERS TOTALED 7.5 MILLION RIALS, MAINLY FROM INDIA. IMPORTS OF SLEEPERS (TARIFF NO. 44/07) ALSO SUBJECT TO 5 PERCENT DUTY AND IMPORTABLE ONLY BY IRANIAN STATE RAILWAYS.

4. IMPORTS OF PLYWOOD DURING THE LAST IRANIAN YEAR TOTALED 149 MILLION RIALS (DOLS2.2 MILLION). PRINCIPAL SUPPLIERS WERE ITALY WITH 69 MILLION RIALS, GREECE WITH 42 MILLION RIALS AND FRANCE WITH 9 MILLION RIALS. PLYWOOD IS CLASSIFIED UNDER TARIFF NO. 44/15 AND SUBJECT TO 25 PERCENT DUTY AND A 22.5 RIALS PER KG. COMMERCIAL BENEFIT TAX.

5. MOST SALEABLE SIZE OF PLYWOOD SEEMS TO BE 3 TO 4 MM. BY 120 CM. BY 220 CM. OR THE SAME THICKNESS BY 100 CM. BY 220 CM. THE SIZES OF IMPORTED LUMBER, MOSTLY PINE, ARE FROM 14 TO 18 CM. THICKNESS BY 20 CM., TO 25 CM. AND BY 260 CM. LOCALLY PRODUCED LUMBER, MAINLY OAK, ALDER AND MAPLE, GENERALLY 10 TO 14 CM. THICKNESS, 25 TO 40 CM. BY 260 TO 280 CM.

6. PLYWOOD IS PRINCIPALLY USED FOR MAKING DOORS AND WINDOWS, AND LUMBER FOR MANY KINDS OF FURNITURE, DOORS, AND BUILDINGS. CURRENT WHOLESALE PRICE FOR LOCALLY-PRODUCED AND IMPORTED PLYWOOD RANGES FROM 35,000 RIALS TO 50,000 RIALS (66.5 RIALS EQUALS DOLS 1) PER CUBIC METER, WHILE THE WHOLESALE PRICE OF LUMBER, DEPENDING ON THE TYPE OF WOOD AND QUALITY, RANGES FROM 8,000 TO 12,000 RIALS PER CUBIC METER. IMPORTERS USUALLY EXPECT THEIR ORDERS TO BE SHIPPED 30 TO 60 DAYS AFTER OPENING A LETTER OF CREDIT.

7. SOME LEADING IMPORTERS OF PLYWOOD AND LUMBER (ALL IN TEHRAN UNLESS OTHERWISE INDICATED) ARE AS FOLLOWS: EXCEL CO. LTD., 133 BAHAR AVE.; MR. AHMAD BONAKDAR, MEYDAY EBNESINA, 413 KHORSHID AVE.; BOOK CO., DARVAZEH SHEMIRAN, 198 SEPAH AVE.; PAKHSHE FIBRE CO., FERDOWSI AVE., KUCHE BELGIK, MASOUD BLDG.; TELKA CO., SIMETRI AVE., OPP. ROOZBEH HOSPITAL; CHUBRANG CO., 171 BOUZARJOMEHRI GHARBI; CHUB VA MACHINE CO., EBNESINA AVE., KEYVAN ST. NO. 150/7; MR. MOHAMAD SEDGHI, DARVAZEH SHEMIRAN, 135 SEPAH AVE.; MR. M.T. SARAFAN CHAHRSOOGHI, SIMETRI AVE., OPP. ROOZBEH HOSPITAL NO. 932; MAZMOTOR CO., 136 SERAH AZARI; MR. MOHSEN TAIE-TEHRANI, SIMETRI AVE., NEAR GHANAT NO. 1468; MR. REZA AZIMZADEHGAN, MAYDANE SHAHNAZ, UNCLASSIFIED
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TEHRAN-NO. NO. 111; MR. SEID-HOSSEIN NEJAD HOSSINFAN, BOUZARJOMEHRI AVE., SERAYE TEHRANCHI; VALVOR IRAN CO., BOUZARJOMEHRI AVE.; MR. MORTEZA SEIRAFIANPOUR, JAY AVE., OPP. BANK SADERAT, ISFAHAN, IRAN; MR. ABDULLAH SABOURI, 22 SHAHPOUR AVE., AHWAZ, IRAN; MR. KAZEM POURHASSAN, GHAZIAN, MEYDAN SHESHOM BAHMAN, BANDAR PAHLAVI, IRAN; MR. AMINOLLAH IMANI, 64 KAHNAMOUIE ST., KHORRAMSHAHR, IRAN.

8. IRAN'S BOOMING ECONOMY HAS CONSIDERABLY INCREASED PER CAPITA INCOME. OIL REVENUES DURING THE CURRENT IRANIAN YEAR (ENDING MARCH 20, 1975) ARE EXPECTED TO EXCEED DOLS 20 BILLION. FOR THE

5TH FIVE YEAR PLAN (1973-78), GOI HAS EARMARKED 319 BILLION RIALS FOR GOVERNMENT BUILDINGS AND FACILITIES AND 240 BILLION RIALS FOR HOUSING, WHILE THE PRIVATE SECTOR IS EXPECTED TO INVEST 685 BILLION RIALS IN HOUSING. THESE PROJECTS WILL ENTAIL INCREASED USE OF WOOD. UNOFFICIAL REPORTS INDICATE AN INCREASE OF ABOUT 30 PERCENT PER ANNUM IN THE LOCAL CONSUMPTION OF LUMBER AND PLYWOOD.

9. IRAN PROBABLY REMAINS MOST ATTRACTIVE MARKET IN THE MIDDLE EAST FOR US EXPORTERS AND OTHER BUSINESSMEN. WOOD PRODUCTS ARE NO EXCEPTION PROVIDING AMERICAN COMPANIES OFFER COMPETITIVE PRICES. THERE SEEMS SOME QUESTION OF THIS AMONG IMPORTERS STEMMING PRIMARILY FROM THE COST OF SHIPPING. BASED UPON THE INFORMATION PROVIDED ABOVE, THE EMBASSY ASSUMES INTERESTED US FIRMS CAN MAKE THEIR OWN EVALUATIONS.

10. SOURCES FOR REPORT INCLUDE: (A) MINISTRY OF INDUSTRIES AND MINES; (B) MINISTRY OF AGRICULTURE AND NATURAL RESOURCES; (C) DEPARTMENT OF CUSTOMS; (D) CHAMBER OF COMMERCE, INDUSTRIES AND MINES OF IRAN; (E) GUILD OF LUMBER AND WOOD DEALERS; (F) PLYWOOD AND VENEER DEALERS GUILDS; (G) TRADE SOURCES.
HELMS

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 17 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975TEHRAN02457
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750092-0589
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750342/aaaabmfx.tel
Line Count: 136
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE 39568
Review Action: RELEASED, APPROVED
Review Authority: hartledg
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUN 2003 by BrownAM>; APPROVED <19 FEB 2004 by hartledg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IRANIAN MARKET FOR US WEST COAST LUMBER AND PLYWOOD
TAGS: BEXP, IR
To: COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006